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Chairman: Mr. Chowdhury (Bangladesh)
later: Ms. Cronenberg-Mossberg (Sweden)

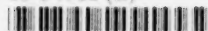
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The meeting was called to order at 10.10 a.m.

General debate (*continued*)

1. **Mr. Chungong Ayafor** (Cameroon) said that there was a tendency not to respect the commitments entered into at the cycle of conferences on international economic development. That was particularly true of the Monterrey International Conference on Financing for Development, the Millennium Summit, and the Johannesburg World Summit on Sustainable Development. At Cancún the World Trade Organization (WTO) had failed to place development at the heart of trade negotiations despite the commitments made at Doha. In that context the Second Committee must reflect on ways of turning commitments into realities. The key word must be "implementation".

2. Avenues of action should include accelerated efforts to achieve the Millennium Development Goals, fulfilment of the Monterrey commitments, implementation of the Doha Development Agenda, and increased support for the New Partnership for Africa's Development (NEPAD). The forthcoming High-level Dialogue on Financing for Development would test the will to take up the challenges.

3. The Committee must also consider ways of making itself more effective, in particular by rationalizing its agenda and improving coordination with the other Main Committees dealing with similar issues. The recent joint meeting of the Bureaux of the Second and Third Committees was therefore welcome, and the exercise should be taken further.

4. **Mr. Sabbagh** (Syrian Arab Republic) said that the global economic recession and instability of recent years had impacted heavily on the economies of the developing countries, thus widening the gap between North and South, despite all the numerous and varied attempts to prevent that occurrence. Faithful and effective implementation of the outcome of United Nations conferences and summits should therefore be a main priority of the international community. Combined with the absence of political will, however, the failure of Member States, in particular the developed countries, to fulfil the commitments made at those conferences was liable to undermine confidence in the ability of the Organization to solve the problems of development, notably poverty, and cause an unprecedented deterioration in the situation. The major event to be convened in 2005 in order to review the

progress achieved in implementing such commitments was therefore extremely important, as were the current review of the Monterrey Consensus and the work of the Commission on Sustainable Development, all of which were relevant to the Millennium Development Goals. He also welcomed in principle the Japanese offer to host an international conference aimed at drawing up a new strategy for disaster limitation in the twenty-first century.

5. Owing to their lack of advanced information and communication technology, the developing countries were denied the opportunities promised by globalization and their economies were even further marginalized. It was therefore time to progress to a more civilized form of globalization with a human face that allowed everyone to benefit from the major scientific and technological achievements of the past two decades. In regard to environmental matters, he reiterated the Syrian support for the United Nations Convention to Combat Desertification and welcomed the choice of the Global Environment Facility as its funding mechanism. He also endorsed the proposal to declare 2004 the International Year to Combat Desertification.

6. The international community had frequently affirmed that foreign occupation posed a major threat to sustainable development, as in the case of his own region, where the inhabitants continued to suffer the effects of daily violations of their rights and of their sovereignty over their resources. It was no exaggeration to say that they consequently regarded discussions about the requisites of development as a waste of time. The Member States of the Organization should work to establish a fairer and more equitable international system that restored usurped rights, sought fruitful cooperation and promoted openness to a moral, civilized and humane form of interaction that would permit the achievement of sustainable development for all.

7. **Ms. Mammadova** (Azerbaijan), speaking in exercise of the right of reply to the statement made by the representative of Armenia at the preceding meeting, said that there was no economic blockade by any neighbouring State against Armenia. That country was bordered not only by Azerbaijan but also by three other countries with which it was not in conflict, namely, Iran, Turkey and Georgia, and it could use and had used their communication lines to receive the goods it needed.

8. As a result of Armenian aggression against Azerbaijan, the entire region of Nakhichevan (the non-contiguous part of Azerbaijan) was now totally cut off from the mainland of Azerbaijan. It was precisely the aggression and occupation by Armenia of almost 20 per cent of the territory of Azerbaijan that had led to the disruption of economic links between Azerbaijan and Armenia. Had it not been for the destructive position taken by Armenia during negotiations on the settlement of the conflict within the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE), the problem would have been resolved, and peace and stability would have been restored in the South Caucasus region. Unfortunately Armenia, which had opted for the policy of deluding the international community and using any opportunity to misinform the Committee, had rejected the well-known proposal by Azerbaijan to open up communication links between the two countries as part of the package of confidence-building measures, which included the evacuation of Armenian occupation forces from four regions along the railroad linking Armenia, through the Nakhichevan region of Azerbaijan, to mainland Azerbaijan. Armenia had rejected that proposal, which was supported by the European Union, by saying that it did not need the road. One wondered what blockade was being referred to. It was obviously in the interest of Armenia to stall negotiations and continue to complain that it was under a blockade.

9. The official position of Azerbaijan was that the occupied territories must be liberated, and one million refugees and internally displaced persons must be returned to their homes. Only then could Armenia count on economic cooperation with Azerbaijan. As to the point regarding regional cooperation, Armenia would be well advised not to confuse two different issues. It was economic cooperation with Azerbaijan that was impossible, for the reasons she had mentioned. Azerbaijan strongly promoted regional cooperation and was participating in numerous regional, transregional and multinational projects and initiatives.

10. **Mr. Sahakov** (Armenia), speaking in exercise of the right of reply, noted that, in the statement made by the Permanent Representative of Armenia at the preceding meeting, Azerbaijan had not been mentioned. However, the blockade of Armenia was obvious and had been well documented by many international organizations and observers. What the delegation of Azerbaijan called aggression was self-

defence of the population of Nagorny Karabakh against the regular army of Azerbaijan.

11. The Government of Armenia had, on many occasions, clearly expressed its willingness to open the borders to Nakhichevan without any pre-conditions. However, the Government of Azerbaijan had always linked the opening of borders with a political solution of the Nagorny Karabakh conflict. That was what was impeding the process of opening borders for Nakhichevan.

12. It would be too time consuming to respond to the rhetoric of the Azerbaijani delegation, which had increased under the pressure of upcoming presidential elections in that country. The Second Committee was not the right forum for raising internal political issues.

13. **Ms. Mammadova** (Azerbaijan), speaking in exercise of the right of reply, said that it was the understanding of her delegation that countries were allowed, in the general debate, to share their views and recommendations on the work of the Committee and how it might be streamlined. It was the Armenian delegation that had raised the issue of the conflict between Azerbaijan and Armenia. If the Armenian delegation was in favour of not politicizing the meeting of the Committee, why had it done so? Many delegations would recall that the same situation had arisen in the Preparatory Committee for the Conference of Landlocked and Transit Developing Countries. In its statement to the Second Committee, her delegation had not mentioned the issue of the application of unilateral economic measures. Sometimes there was no necessity to name a country, because delegations were familiar with the geography of the region and would know what country was being referred to. The inaccuracies and disinformation that the Armenian delegation constantly perpetrated had compelled her delegation to exercise its right of reply, in order to prevent delegations from being misled.

14. **Mr. Sahakov** (Armenia), speaking in exercise of the right of reply, asked the representative of Azerbaijan what inaccuracies she was referring to. The blockade was obvious. There was no aggression on the part of Armenia, but merely self-defence. The situation with regard to Nakhichevan was obvious and well-known. As to regional cooperation, Armenia had always expressed its willingness and its confidence that interaction between all the countries in the region could

create an atmosphere of trust and a favourable climate for reducing existing tensions.

15. **The Chairman** said that the Committee had thus concluded the general debate. The backdrop to the discussion had been the fledgling global economic recovery, which was fraught with continuing geopolitical uncertainties and had suffered a setback at the Cancún Conference. The need to implement commitments made at the Millennium Summit and at Monterrey, Johannesburg and other United Nations conferences had been widely emphasized: concrete action rather than words was needed.

16. After summarizing the main topics addressed by speakers in the debate, he noted a number of new proposals, which he hoped would be taken up in the negotiations in the Committee. A key strand in what had been a rich debate was the impact of globalization and the fragile world economic situation and its implications for development and for poverty eradication. As it reflected on how to improve its work, the Committee might consider focusing the 2004 general debate on those issues.

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) (A/58/179, A/58/204 and A/58/72-E/2003/53)

17. **The Chairman** said that progress in eradicating poverty remained extremely slow. The necessary economic growth must be pro-poor. The key to poverty eradication was the promotion of agriculture, small-farm and rural manufacturing and other non-farm activities. Microcredit was a powerful tool in that context, which had been used very effectively in his own country. The difficulty of achieving the Millennium Development Goal of halving extreme poverty by 2015 was well known; in addition to the focus on growth, equal attention should be given to the role and status of women, HIV/AIDS, infant and maternal mortality and increased agricultural productivity.

18. **Mr. Lee** (Chief, Poverty Eradication and Employment Section, Division for Social Policy and Development) introduced the report of the Secretary-General on implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) and draft programme of action for the International Year of Microcredit, 2005 (A/58/179). Having outlined the content of the two parts of the report, he drew the

Committee's attention to the recommendations relating to the International Year of Microcredit, in particular the recommendation that the Department of Economic and Social Affairs and the United Nations Capital Development Fund (UNCDF) should coordinate the activities for the Year.

19. He further drew the Committee's attention to the note by the Secretary-General on the establishment of the World Solidarity Fund (A/58/72-E/2003/53) and to the ceremony to mark the International Day for the Eradication of Poverty, to be held on 17 October.

20. **Mr. Anwarul Chowdhury** (High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) said that poverty was the main scourge facing humanity, in particular in the least developed countries. The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 had reaffirmed the responsibility of the international community to uphold the principles of human dignity, equality and equity while making substantial progress towards poverty eradication. Poverty in the least developed countries could be reversed if the countries themselves and their development partners fully implemented the commitments made.

21. The Secretary-General's campaign to achieve the Millennium Development Goals addressed as key targets the needs of the least developed countries. But there would be no headway unless those countries received increased support. All poverty-reduction strategy papers must bear that point in mind. The Brussels Programme of Action recognized the pivotal role of rural development. Microcredit programmes effectively mobilized savings and delivered financial services to poor rural dwellers, particularly women, and were a powerful engine for employment creation, poverty eradication and reduction of gender inequality.

22. A gender-equality perspective would facilitate attainment of the goal of halving the number of people living in extreme poverty by 2015. The global campaign launched by the Washington Microcredit Summit in 1997 was expected to reach 100 million of the world's poorest families. The latest calculation indicated that the number of people with access to microcredit schemes now stood at 31 million, as against the 1997 figure of 7.6 million. Women accounted for about two thirds of that total. The programmes of the Grameen Bank in Bangladesh, 95

per cent of whose beneficiaries were women, provided a shining example of women's empowerment through microcredit. UNCDF was also to be commended for its work on poverty eradication through microcredit, which was stimulating increased demand in the least developed countries. Donor support for the UNCDF microcredit programmes was crucial. The newly established World Solidarity Fund would also require adequate resources.

23. The recent estimates of per capita gross domestic product in the least developed countries illustrated how enormous the challenges were. His Office fully supported the microcredit campaign and would work with United Nations bodies, civil society and the private sector to make the International Year of Microcredit a success. The Asia-Pacific regional microcredit summit to be held in February 2004 would be an important first step. As the campaign documents stated, microcredit was foreign aid that worked.

24. **Mr. Aboutahir** (Morocco), speaking on behalf of the Group of 77 and China, said that the report gave a useful overview of progress made in reducing poverty in the developing world. The first United Nations Decade for the Eradication of Poverty (1997-2006) was expected to achieve the target of halving the proportion of the world's population whose income was under one dollar a day, and the number of victims of hunger by 2015, through action at the national level and international cooperation.

25. The Group of 77 and China had noted with great concern, however, that progress had been uneven and that the prospects for most of the developing world were dismal, particularly in Africa, where population growth would hinder efforts to attain sustainable development. The effect of the spread of HIV/AIDS on human development, economic growth and poverty in many countries was another factor complicating the situation. Poverty eradication was indispensable to sustainable development, and at the same time the persistence of poverty posed a major threat to global prosperity, security and stability. The solution depended on a number of factors, which included the reinforcement of financing for development and market access for exports from developing countries. Debt servicing by the heavily indebted poor countries and low-income developing countries continued to adversely affect their sustainable development, social development programmes and national poverty eradication strategies.

26. The Group of 77 and China shared the view expressed by the Secretary-General that balanced and equitable international trade was one of the means through which to assist countries in eradicating poverty and famine and in achieving the Millennium Development Goals. In order for poverty eradication efforts to be effective, it was imperative for developing countries to be integrated into the world economy, sharing the benefits of globalization.

27. Turning to the draft programme of action for the International Year of Microcredit, 2005, he said that microcredit was a powerful tool in the promotion of production, self-employment and empowerment. The Group of 77 and China encouraged donors to help developing countries to implement their policies that supported microcredit schemes and the development of microcredit institutions and related capacity building.

28. Recalling that the primary objective of the New Partnership for Africa's Development (NEPAD) was the eradication of poverty and promotion of sustainable development, he urged developed countries and the United Nations system to support NEPAD and to complement the efforts undertaken by Africa to overcome the challenges it faced.

29. In conclusion, he stressed the importance of honouring commitments to the Brussels Declaration and Programme of Action and the operationalization of the World Solidarity Fund as a matter of urgency.

30. **Mr. Bernardini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, said that the fight against poverty was a matter of equity and a moral imperative. The Millennium Declaration had established an overarching framework for action on the eradication of poverty as a means to promote sustainable development. Furthermore, the outcomes of the major international conferences and summits had reinforced the commitment of the international community in that regard, and had indicated that the best way to increase choices and opportunities for people living in poverty was to focus attention on areas such as food security, education, health, water, sanitation, environment, human resource development, rural, local and community development, human settlements and productive employment. The European Union was looking forward to exploring the thematic clusters (water, sanitation and human settlements) at

the twelfth session of the Commission on Sustainable Development.

31. He also highlighted the need for global leadership and partnership and for adequate resources to combat the HIV/AIDS pandemic. The European Union was also strongly committed to the promotion of gender equality and women's empowerment, and believed that a gender perspective must be mainstreamed in development strategies and policies at all levels, including in the work of the United Nations.

32. Experience had shown that pro-poor policies, implemented within a framework of good governance and conflict prevention, were a prerequisite for poverty eradication. Solid democratic institutions responsive to the needs of the people, domestic stability, respect for human rights and the rule of law, gender equality and market-oriented policies should be the priorities of every country engaged in the fight against poverty. Domestic policies in the area of taxation, income redistribution, job creation, and anti-corruption measures were equally important. They were mutually reinforcing factors that created a sound macroeconomic environment and an appropriate framework for investment and trade conducive to sustainable development.

33. As a top donor of development assistance and the single biggest investor in developing countries, the European Union was playing a leading role in responding to those challenges. Its efforts were based on its unwavering conviction that lasting prosperity required mutually reinforcing strategies for stable economic growth, social development and environmental protection. Without proper assistance from the international community, developing countries would never escape from the vicious cycle of poverty.

34. As the world's largest trading partner, the European Union reaffirmed its commitment to promoting international trade as an engine for development, increasing international financial and technical assistance for development, implementing sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading system.

35. The European Union welcomed the positive impact that sound microfinance was having on the lives of the poor and was ready to pursue the goal of giving new impetus to microcredit programmes worldwide. The fight against poverty could be won through

enhancement of international cooperation and partnership.

36. **Mr. Hassan** (Pakistan) noted with concern that, despite the pledges of the Millennium Declaration, there was no hope of halving global poverty by 2015. Only a comprehensive and integrated approach, based on the principle of shared responsibility, could help eradicate poverty. The Monterrey Consensus reaffirmed the international community's commitment and provided a global compact and an exit strategy from poverty, deprivation and despair. Developing countries should continue to improve their policy framework and governance, while development partners needed to act speedily to enhance the transfer of resources to developing countries through improved market access and improved quality and level of ODA.

37. Debt relief was yet another means of promoting development. The combination of extreme poverty and indebtedness had plunged a large number of low-income countries into a desperate downward spiral. However, trade could boost economic growth, generate employment and reduce poverty in developing countries and was the single most important external source of financing for development.

38. Pakistan had taken a number of steps to face the challenges of poverty. Firstly, the Government had adopted an approach focused on economic growth, investment in human capital, targeted interventions, improved governance and greater social safety nets. Secondly, the Government had established the human development fund aimed at poverty alleviation and had undertaken stringent policies and far-reaching reforms. The results, at the macroeconomic level, were evident in stable currency, low inflation, improved levels of foreign exchange reserves, a decline in fiscal deficit and public debt as a proportion of gross domestic product, a vibrant stock market and better targeted growth than had been anticipated.

39. Microcredit was one of the most effective tools for poverty eradication, not merely as a means of gaining access to credit, but also as a tool for empowering families and communities within their homes and villages. It held promise for the improvement of conditions in poor communities and for its ability to galvanize households. The International Year of Microcredit would provide an opportunity for the United Nations to strengthen international cooperation in that sphere. Pakistan was

pleased to note the constructive proposals presented in the report of the Secretary-General (A/58/179), which would greatly assist developing countries in their effort to alleviate poverty by enhancing the income of the poorest people through the generation of economic activity.

40. Pakistan had introduced a third generation microfinance programme providing for a policy on microfinance and a regulatory framework and encouragement to the private sector to establish microfinance institutions. The Government was also assisting non-governmental organizations and rural support programmes at the grassroots level to help communities gain access to microcredit and provide training in various entrepreneurial skills and capacity-building. The integrated approach of those initiatives had met with much success. In the previous three years, microcredit programmes had expanded in scope and were expected to serve approximately one million clients by 2005. In spite of the well-established institutional and legislative framework to promote microcredit, the Government was aware that certain challenges remained.

41. *Ms. Cronenberg-Mossberg (Sweden), Vice-Chairman, took the Chair.*

42. **Mr. Zhang Yishan (China)** said that the solution to the problem of poverty required not only the efforts of the developing countries themselves but, more importantly, the strong support and cooperation of the international community. All necessary measures must be taken to create an international economic environment favourable to poverty eradication and development. The international community should speed up the implementation of the outcomes of the International Conference on Financing for Development, and strive to improve ODA, direct investment and debt relief. The international trade system must reflect in a balanced way the concerns of all parties, including those of the developing countries. In addition, the international community and developed countries should strengthen the capacity building in developing countries through the transfer of technology and other means.

43. All countries bore primary responsibility for their own development, and developing countries should incorporate poverty alleviation into their overall programmes of national economic and social development according to realistic goals. At the same

time, donor countries and international aid agencies should attach importance to ownership by recipient countries.

44. A comprehensive partnership, led by the national Government, was a multifaceted undertaking which required the participation of entire societies and the cooperation of the international community. Therefore, it was crucial that all relevant stakeholders should establish such a partnership, exchange experience, and strengthen cooperation in order to effectively solve the problem of poverty. China's efforts to eradicate poverty were not only conducive to its own economic development but were also of importance to world development. Over the past two decades, China had been enjoying economic stability, rapid growth and markedly improved living standards. However, China was a low-income developing country with a population of 1.3 billion, with a large number of people living in poverty. In recognition of the fact that poverty alleviation was a long-term and arduous task, the Government of China had formulated new strategies taking its national conditions into consideration. China was prepared to enhance exchanges and cooperation with all countries for the improvement of general well-being.

45. **Ms. Viotti (Brazil)** said that the undeniable links between trade and development had been recognized at Doha, Monterrey and Johannesburg. Greater trade opportunities for developing countries could be instrumental in generating income, employment and development. Market access for products of developing countries, the phasing out of agricultural subsidies and the elimination of other trade distorting measures in developed countries were essential if trade was to be a true engine for development and poverty eradication. Despite the lack of concrete results at the Cancún WTO Ministerial Conference, Brazil remained fully committed to the strengthening of WTO and to a constructive engagement in the upcoming multilateral trade talks.

46. The eradication of poverty and hunger was a national priority in Brazil. In view of the multiple dimensions of poverty, eradication strategies involved coordination among different governmental institutions at the federal, state and municipal levels, as well as the active participation of civil society and the private sector. Her Government had adopted a "Zero Hunger Programme" aimed at eradicating hunger in four years. That programme encompassed not only specific and

local actions but also structural measures with long-term impact that addressed the root causes of hunger and poverty, including employment and income generation, land reform and capacity-building. President Lula, who had made the eradication of that scourge a personal commitment, had, together with the leaders of India and South Africa, recently created a Trilateral Commission to contribute to the eradication of poverty worldwide, in line with the Millennium Development Goals. She invited the international community to support that initiative.

47. The proclamation by the General Assembly of 2005 as the International Year of Microcredit was a direct result of the recognition of the role of microcredit in the eradication of poverty as well as of its positive impact on people's lives. Microcredit had helped to lift people out of poverty and empower the poor, not only in Brazil but in other parts of the world as well. The Year would provide an opportunity to raise awareness and share experiences in that area, thus contributing to the achievement of the Millennium Development Goals.

48. Noting that, since the ultimate goal of both the major event to assess the implementation of the Millennium Declaration in 2005 and the review in 2005 of progress in the implementation of the Monterrey Consensus on Financing for Development was to make globalization more inclusive, equitable and fair and to bring economic growth, sustainable development and social justice to the entire world, she said that those events should be integrated and coordinated, building on synergies between them.

49. **Mr. Alcalay** (Venezuela) said that the first United Nations Decade for the Eradication of Poverty was the most complex and most important item on the Committee's agenda. After taking note of the report of the Secretary-General (A/58/179), he said that the road ahead was full of challenges that rich and poor countries alike had to overcome if they were to achieve the goal set in the Millennium Declaration of halving the proportion of people living on less than one dollar a day by 2015. The key to achieving that goal was integrated strategies that combined, at the national, regional and international levels, all the necessary measures, including both North-South and South-South cooperation. Structural changes were needed to holistically deal with all relevant factors, including health, education and access to water and sewage services. The challenge of poverty eradication also

required the elimination of all the economic and financial barriers that the international economic and trading system had been erecting over the years. That would enable developing countries to make major investments in social infrastructure, the return on which would be the progressive reduction in the numbers of poor people and an increasingly humane and just society. In that regard, he expressed support for the draft programme of action for the International Year of Microcredit, 2005.

50. Venezuela was currently hosting the Organization of American States (OAS) High-Level Meeting on Poverty, Equity and Social Inclusion. The outcome of that meeting should reflect the commitment of OAS member States to combating poverty and building a more dynamic and just society throughout the Americas. At the national level, his Government had designed public policies that involved all social forces in the efforts to realize Simón Bolívar's dream of a democratic, egalitarian, ethical, enlightened and just system. It was carrying out a variety of programmes in the areas of education and poverty eradication, including the pilot programme for the development of urban and pre-urban agriculture. A total of 111,000 housing units had been built, 17 million people had received basic medical and hospital care under the neighbourhood-based medical programme and 2,090 land ownership deeds had been granted. The purpose of those policies was not only to achieve immediate results but to improve the quality of life of Venezuelans and, in so doing, build a diversified, competitive and innovative economy.

51. **Mr. Doig** (Peru), speaking on behalf of the countries belonging to the Rio Group, said that poverty eradication was the greatest challenge facing the world at present and was at the centre of the commitments undertaken in the Millennium Declaration and the Monterrey and Johannesburg Summits. However, it was doubtful that the Millennium Development Goals would be achieved by 2015. In the case of the Latin American region, poverty and indigence rates had remained constant since 1997. More than 60 per cent of the rural population of Latin America and the Caribbean had income levels below the poverty threshold. Agriculture and related activities were still the main source of employment for many people in the region, particularly indigenous men and women. The support of the international community for that sector was essential.

52. At their recent summit meeting in Cuzco, Peru, the Heads of States of the 19 countries of the Rio Group had stressed the need to give priority to eradicating poverty, particularly extreme poverty. Any effort to reduce poverty and to combat malnutrition and hunger must begin with children, and the role of women in such initiatives must be strengthened. The Rio Group called on the international community to meet the goals set out in the Declaration and Plan of Action for Children. Mainstreaming of the gender approach in development policies was also important. Long-term social policies should target the poor and the most vulnerable groups.

53. Efforts to overcome poverty must be based on effective social policies and responsible economic policies; social and economic policies must be complementary and consistent with each other. Persistent and growing unemployment was one of the greatest challenges facing the Rio Group countries and was the main cause of income poverty. Unemployment was a result not only of slow economic growth but also of the wide gap in productivity between developed and developing countries, of protectionism in trade and of the drop in external financing. Technical and financial assistance for developing countries was essential to promote human development and eradicate poverty. Access to credit and savings mechanisms was crucial, but such mechanisms were not in themselves sufficient to ensure sustainable development for the poor, particularly in the rural areas. Producers needed adequate roads to get their products to market, as well as access to technology, technical training, reasonable prices and a favourable regulatory environment. A comprehensive strategy was required that would include measures to promote education, science and technology in order to strengthen competitiveness, ensure access for people in the lower income sectors and allow the countries of the region to become part of the information society.

54. With regard to the external sector, there must be a greater opening up of international markets so as to generate growth, increase employment, improve income distribution, reduce external vulnerability and encourage productive investment.

55. The success of all the Millennium Development Goals depended on the developed countries meeting their commitments in connection with goal 8, particularly in regard to international trade, debt relief and development assistance. The Rio Group called for

the establishment of a time frame for meeting those commitments similar to the deadline of 2015 that had been set for the first seven goals. While it was true that Governments needed to increase the efficiency of their own investment in the fight against hunger, it was also important to improve coordination between the agencies of the United Nations system and to increase the resources earmarked for development cooperation by the international financial agencies.

56. The Rio Group fully supported efforts to promote microcredit, which was needed in order to reduce poverty and strengthen the financial capacity of the poor, especially women. Investing in producer and craft associations, rural cooperatives and other endeavours among the poor, especially women, would substantially improve their opportunities to be integrated into the market system. The Rio Group welcomed the proposal submitted by the Secretary-General on the programme of action for the International Year of Microcredit, 2005.

57. **Mr. Talha** (Bangladesh) noted that, more than halfway into the first United Nations Decade for the Eradication of Poverty, 1.2 billion people throughout the world were still languishing in extreme poverty. As the Secretary-General's report pointed out, that number would for the most part be roughly the same in 2015, if current ODA levels did not rise. While his delegation welcomed the establishment of the World Solidarity Fund and innovative ideas such as the establishment of the proposed International Finance Facility to augment the flow of ODA, it believed that the resources of any such fund should complement, not replace, other resources earmarked for pro-poor sustainable development.

58. Bangladesh attached great importance to microcredit as a tool for poverty eradication and for empowering women, improving health and sanitary conditions and educating people. Indeed, the success of microcredit as a tool for eradicating poverty was well documented. His country's microcredit programmes attacked poverty at its source by increasing participants' household consumption expenditures. Through microcredit borrowing, 5 per cent of programme participants could lift their families out of poverty every year. As a result of the 1997 Microcredit Summit in Washington, D.C., millions of people in the developing world now had access to borrowing services. As of December 2001, a total of 2,186 microcredit institutions had serviced some 54.9 million

clients, 26.8 million of whom were first-time borrowers.

59. **Mr. Al-Haddad** (Yemen) said that the eradication of poverty was a subject of concern to the entire international community, because of the wide economic, social and technological gap between the worlds of the rich and poor. Although relative progress had been made in reducing poverty, the low levels of growth in the poorest countries, particularly in sub-Saharan Africa, had raised fears that, in their case, the poverty reduction goal in the Millennium Declaration was unlikely to be achieved by 2015. Poverty eradication demanded an integrated approach and a linkage between solutions and sustainable development issues. It was therefore vital to adhere to the Plan of Implementation adopted at the World Summit on Sustainable Development by devoting attention to education, human resources, health care, human settlements, rural development and all matters relating to poverty eradication. Although poverty eradication was essentially the individual responsibility of each country, the increasing division of the world into rich and poor posed a substantial threat to global prosperity, security and stability. Concerted international efforts to help the developing countries to achieve sustainable development were therefore more crucial than ever.

60. One of the least developed countries, Yemen was tackling poverty from all angles with the aim of ensuring a better life for its citizens, in particular by implementing a poverty reduction strategy, the first phase of which had been designed with input from all sectors of Yemeni society and approved by the International Monetary Fund in 2001. The current second phase had also been prepared following wide consultation with various actors at the national, regional and international levels. Within the overall context of their national anti-poverty plans, the concerned authorities also sought to incorporate the outcomes of relevant United Nations summit conferences, including the Millennium Development Goals, the Monterrey Consensus and the Plan of Implementation which had emerged from the World Summit on Sustainable Development.

61. Yemen attached particular importance to microcredit as a means of reducing poverty and unemployment, to which end it had established its own Social Development Fund. He also welcomed the measures under way in connection with the operation and strategy of the World Solidarity Fund, which

would help to finance projects designed to eradicate poverty. In conclusion, he stressed that the 49 least developed countries suffered most from the damaging effects of poverty and therefore merited greater and more varied support, including further ODA, debt relief and easier global market access for their agricultural products, that would ultimately strengthen their capacity to eradicate poverty and improve the quality of life of their citizens by helping them to build a better future.

62. **Ms. Mohamed** (Kenya) said that, despite her Government's best efforts to fully utilize domestic resources for development and poverty reduction, external assistance and international cooperation were still vital to achieving the Millennium Development Goals in Kenya. That was all the more crucial since the efforts to eradicate poverty had been further impeded by the devastating effects of the HIV/AIDS pandemic, a national disaster which had robbed Kenya of its best human resources, adversely affecting economic development. In that regard, although prevalence rates were declining as a result of efforts to combat that scourge, Kenya needed greater and more affordable access to anti-retroviral drugs. She therefore welcomed the decision to implement paragraph 6 of the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and public health and hoped it would enable developing countries to import generic drugs to combat HIV/AIDS and other diseases.

63. Her Government recognized that transparency and good governance at the national and international levels were prerequisites for global economic development and prosperity. Outlining the measures taken by her Government, she noted that at the international level the decrease in ODA and foreign direct investment, together with international trade imbalances and the external debt problem, had greatly contributed to the underdevelopment of the third world. She therefore called for expeditious implementation of the Millennium Declaration and the Johannesburg Plan of Implementation.

64. Microcredit could play a crucial role in poverty eradication, empowerment of vulnerable groups and development of rural communities and the International Year of Microcredit in 2005 would afford the international community an opportunity to raise awareness and share best practices in the financing of pro-poor programmes through microcredit. She

welcomed the establishment of the World Solidarity Fund for the elimination of poverty and called for contributions to the Fund to enable it to commence operations as soon as possible.

65. **Mr. Talbot** (Guyana) said that the fight against poverty remained a foremost challenge to the international community and to many individual countries. Guyana's Poverty Reduction Strategy, which envisaged halving the current level of poverty by the year 2015, as well as the National Development Strategy documents, underpinned the adoption of an integrated socio-economic approach to national policy-making and had benefited from broad-based consultations with civil society organizations. Although international assistance had been forthcoming, efforts to combat poverty had largely been constrained by the international economic environment. As a heavily indebted country, Guyana had been able to secure some assistance towards reducing its debt-servicing burden, but resources were insufficient to meet needs in the social sector, particularly in the areas of education, health and housing.

66. At the global level, the worsening terms of international trade, the failure of some countries to meet their ODA commitments and the slow pace of implementing the Heavily Indebted Poor Countries (HIPC) Debt Initiative had translated into insufficient and unstable financing for development. Sustained support was also needed for national efforts to maximize the private sector's contribution to development, job creation and poverty eradication. Microcredit was an important instrument in the fight against poverty because of its ability to promote production and self-employment and empower people living in poverty, especially women. He urged bilateral and multilateral donors to assist developing countries to implement policies that supported microcredit schemes and the development of microfinance institutions.

67. Success in meeting the objectives of development and poverty elimination depended not only on good governance within each country but also on good governance at the international level and on transparency in the financial, monetary and trading systems. It was imperative, in that context, for developing countries to participate fully and effectively in the decision-making of international financial forums, whose policies and decisions had a profound

impact on their people. His delegation strongly endorsed the Secretary-General's call, in his report on the outcome of the Millennium Summit, for a greater role for developing countries in global decision-making. Among other things, the failure of the recent WTO Conference in Cancun afforded an opportunity to refocus on consolidating the vital link between trade and development. The United Nations must play a key role in that regard through the High-level Dialogue on Financing for Development and in the process leading up to the eleventh session of UNCTAD (UNCTAD XI).

68. **Mr. Staehelin** (Switzerland) said that his statement would focus on the issue of microfinance. As stated in the Monterrey Consensus, a well-regulated and supervised national financial sector was critical for the mobilization of domestic savings and the reallocation of those savings to sectors where high levels of investments were needed. Much of the demand for financial services remained unmet. There was a need for a diversified range of new products as well as new technologies to reduce transaction costs. Financial service providers should include not only non-governmental microfinance institutions but also savings and loan cooperatives, community finance institutions, commercial banks, insurance companies and other financial institutions. Large-scale and sustainable microfinance could be effective only if financial services for the poor were integrated into the overall financial system. Demand-driven financial products, including microfinance, were the mainstays of a financial sector committed to winning the public's trust, improving the level of savings mobilization and ensuring the widest possible access to financial services.

69. Switzerland welcomed the idea of the International Year of Microcredit. It would participate in the Year and contribute to activities in Switzerland, in partner countries and at the global level, with a view to promoting public awareness, offering support to microfinance and to financial sector programmes and contributing to the development of financial sectors that would respond to the needs of all concerned. The term "Year of Microcredit", however, did not do justice to the whole range of financial products and services involved. An extensive range of financial products and services was involved, including credit, savings, insurance and asset-building mechanisms. In addition, the promotion of a year of microcredit in Switzerland and other European and North American countries

would be difficult, as the word "microcredit" had a very negative connotation, evoking notions such as usury interest, consumer credit and indebtedness of the poor. His delegation therefore strongly urged the General Assembly to change the title to "Year of Microfinance".

70. Finally, Switzerland wished to express its support for the United Nations Capital Development Fund (UNCDF). His delegation thanked the Department of Economic and Social Affairs for providing secretariat support for the implementation of the International Year and its coordination within the United Nations system. He would also like to stress the importance of obtaining the full involvement of the Consultative Group to Assist the Poor in that important undertaking.

71. **Mr. Maiga** (Mali) said that, since 1997, his Government had been engaged in an all-out effort to combat poverty. In May 2002, it had adopted a strategic framework for the fight against poverty which served as a point of reference for all its development policies and strategies. The purpose of the strategic framework was to create a macroeconomic and institutional environment that would be conducive to growth and would enable the population to participate in and benefit from such growth. The overall objective was to reduce poverty from 63.8 per cent of the population to 47.5 per cent by 2006. The specific objectives were related to sectoral programmes and entailed bringing the growth rate to 6.7 per cent a year by 2006. The aim was to achieve an investment rate of 24.8 per cent, an inflation rate below 3 per cent and a balance-of-payments deficit of less than 9 per cent by 2006.

72. The national institutions responsible for gathering and analysing data on the living conditions of the people of Mali had been strengthened so as to enhance coordination and follow-up to activities carried out in the context of the strategic framework. In addition, sectoral projects were being implemented in the fields of education, social and health services, justice, population studies, advancement of women, protection of children, environmental action and youth employment. The Government had set up a national solidarity fund and created the Banque malienne de solidarité. The solidarity fund would be used to improve living conditions for all Malians, especially the poor. The bank would grant loans to the poor on more favourable terms than those offered by traditional

banks. It would also contribute to the financing of decentralized financial institutions.

73. The strategic framework for the fight against poverty stressed the responsibility of the population for the design, implementation and follow-up to efforts to combat poverty. To that end, the decentralized communities provided an anchor and were strategic tools for implementing and coordinating the actions undertaken. It was expected that, during the period 2002-2004, domestic financing for the strategic framework would amount to 1,180.9 billion CFA francs, while external financing from development partners was estimated at 760.3 billion CFA francs. The total amount of resources from the Highly Indebted Poor Countries (HIPC) Initiative was estimated at 75 billion CFA francs for 2002-2004. A round table of donors would be held in the near future to mobilize resources for the strategic framework.

The meeting rose at 1 p.m.